

REMARKS

Reconsideration and allowance of the present application are respectfully requested. Claims 1-55 are currently pending in this application.

*Regarding the Amendments to the Claims*

Changes were made to claims 1, 12, 16, and 35 to improve the clarity of these claims.

*Regarding the 35 U.S.C. § 101 Rejection*

Claims 1-35 were rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. The Applicant respectfully traverses this rejection for the following reasons.

Title 35, Sec. 101, entitled "Inventions patentable", states that: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title" (emphasis added). Claims 1-10, 12-14, 16-26, 28-31 and 33-35 are process claims, while the remaining rejected claims (11, 15, 27, 32) are computer-readable media claims. Method (i.e., process) claims are expressly identified as statutory subject matter in 35 U.S.C. § 101. Computer-readable medium claims are likewise statutory subject matter (e.g., as stated in § 2106, "When a computer program is recited in conjunction with a physical structure, such as a computer memory, Office personnel should treat the claim as a product claim"). Therefore, claims 1-35 clearly fall into statutory categories of invention.

In rejecting claims 1-35 under 35 U.S.C. § 101, the Office Action applies a two-prong test: (1) determine whether the invention is within the technological arts; and (2)

1 determine whether the invention produces a useful, concrete, and tangible result. The  
2 Office Action states that "simply identifying where the services are located and reciting  
3 that instructions are computer readable do does [sic] not confer technological subject  
4 matter" (paragraph No. 6 of the Office Action). The Office Action further states that  
5 "Mere intended or nominal use of a component, albeit within the technological arts, does  
6 not confer statutory subject matter to an otherwise abstract idea if the component does not  
7 apply, involve, use, or advance the underlying process" (paragraph No. 7 of the Office  
8 Action).

9       Essentially, then, the Office action seems to be implying that claims 1-35 recite  
10 nothing but an abstraction. This position is both factually and legally misplaced. The  
11 claims are directed to the issuance of licenses that enable users to use computer software.  
12 This subject matter pertains to the technological arts (the operation of computers), which  
13 produces a useful, concrete, and tangible result (a license to a use a computer product).  
14 This is clearly distinct from what the courts have traditionally defined as abstractions,  
15 such a general principles, laws of nature, mathematical equations, and so forth. Indeed,  
16 the text of the outstanding Office Action could not be prepared unless the Patent Office  
17 obtained a proper license that allowed the Examiner to use a word processing program;  
18 the granting of a software license thus lies in the domain of palpable events that occur in  
19 the real world within a very specific *technical* setting; this subject matter *does not* relate  
20 to a disembodied idea scrawled on a blackboard, with no clear notion of its application. It  
21 is furthermore noted that the applied patent, Yamamura, relates to the field of managing  
22 licenses, and this patent includes a method claim (i.e., claim 32); this patent itself  
23 constitutes evidence that the Patent Office considers this field as within the domain of  
24 statutory subject matter.  
25

1 In elaborating on its position, the Office Action seems to imply that technical  
2 subject matter is conferred when the claims recite components which "apply, involve,  
3 use, or advance the underlying process" (paragraph No. 7). However, 35 U.S.C. § 101  
4 makes no such requirement. In fact, the courts have repeatedly advised a liberal  
5 application of the criteria set forth in 35 U.S.C. § 101; for example, the Supreme Court  
6 held that Congress chose the expansive language of 35 U.S.C. § 101 to include "anything  
7 under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 308-309,  
8 206 USPQ 193, 197 (1980). Further, MPEP § 2106 states, quoting the Federal Circuit,  
9 that "[t]hus, it is improper to read into section 101 limitations as to the subject matter that  
10 may be patented where the legislative history does not indicate that Congress clearly  
11 intended such limitations." By demanding that process and computer readable media  
12 claims meet special requirements, the Office Action is doing what the courts and the  
13 MPEP says is not permitted – namely, reading limitations into section 101.

14 Indeed, it is noted that the Office Action cites no authority to support its position  
15 that process and computer-readable media claims directed to issuing software licenses  
16 define non-statutory subject matter. Moreover, the Office Action cites no authority that  
17 claims must recite components that apply, involve, use, or advance an underlying process  
18 in order to qualify as statutory subject matter. The Applicant submits that the lack of  
19 citations reflects the fact that no such authority exists. In any event, if this rejection is  
20 repeated, the Examiner is respectfully requested to cite the authority which supports the  
21 positions taken in the Office Action. The Applicant further requests the Patent Office  
22 define what constitutes (and does not constitute) the "technical arts," and what constitutes  
23 a "concrete" and "tangible" result – and to explain why a software license is not being  
24 considered a concrete and tangible result.  
25

1 For at least these reasons, Applicant respectfully submits that claims 1-35 comply  
2 with 35 U.S.C. §101, and, as such, Applicant requests that the § 101 rejections be  
3 withdrawn.

4  
5 *Regarding the 35 U.S.C. § 102 Rejections*

6 Claims 1-49 are rejected under 35 U.S.C. § 102(b) as being anticipated by U.S.  
7 Patent No. 6,023,766 to Yamamura (referred to below as simply "Yamamura").  
8 Applicant respectfully traverses this rejection for the following reasons.

9 Prior to addressing the rejection, it is believed that the Patent Office may benefit  
10 from a brief review of exemplary aspects of the invention disclosed in the specification.  
11 Of course, the detailed description in the specification does not limit the claims.  
12 Nevertheless, an understanding of certain salient features of the invention will help the  
13 Patent Office better appreciate the distinction between the claims (to be discussed below)  
14 and the Yamamura reference.

15 One aspect of the subject matter described in the specification pertains to issuance  
16 of a pool of available licenses to clients in an efficient manner. More specifically, one  
17 problem encountered in the art is that licenses installed on client computers become  
18 "lost." This happens, for example, when the client computers are reconfigured. The  
19 effect of losing licenses is that the clients cannot make efficient use of licenses. For  
20 example, through the loss of licenses, the clients may exhaust an available supply of  
21 licenses, requiring that the clients purchase more licenses, even though the lost licenses  
22 remain valid.

23 The specification describes a solution to this problem "through leasing licenses to  
24 clients and continually expiring and re-leasing them in a way that nets out the overall  
25 distribution of purchased licenses" (page 10, lines 18 and 19). Namely, in one

1 implementation, the invention expires licenses when the clients do not take actions which  
2 cause the licenses to be updated and reissued within a specified period of time. The  
3 expired licenses go back into an available pool of licenses for other clients to use, thus  
4 reducing the inefficiencies discussed above, e.g., where "lost" licenses remain valid but  
5 cannot be used. Provisions are also set forth that allow a client to reclaim a lost license, if  
6 that same license is still available, and, if not, obtain a new license, if available.  
7 Moreover, in certain circumstances, the invention will grant a "temporary license."

8 Yamamura also updates licenses. But Yamamura's technique is functionally and  
9 structurally different than the subject matter described in the instant specification.  
10 Moreover, Yamamura's technique addresses an entirely different problem than the  
11 subject matter of the instant specification. Consider the following representative passage  
12 of Yamamura (col. 14, line 43 to col. 15, line 10, with emphasis added):

13  
14 FIG. 13 is a chart for explaining a periodical update process of a license in the software  
15 license control system of the embodiment. As shown in FIG. 13, in the license control center 20,  
16 the log control device 25 controls the expiration date of the licenses issued. If there is a license  
17 approaching the expiration date in the log control device 25, the log control device 25 requests the  
18 update file from the license update device 24. Thus, the license update device 24 *executes the*  
19 *periodical update process of the license a few days before the expiration date of the license issued*  
20 *by the license control center 20.*

21 In the periodical update process, the license update device 24 reads out the log file  
22 relating to the license from the log control device 25 for reference. *On the basis of the past log*  
23 *and the previous application content and so forth, the license update device 24 judges whether to*  
24 *give permission for the update.* In case of giving permission for the update, the license update  
25 device 24 issues a new license information file, which is transmitted back to the user to be updated

1 before the expiration date by electronic mail. In case of not giving permission for the update (*a*  
2 *fraudulent use of the license or breach of contract being confirmed*), on the other hand, the license  
3 update device 24 sends back a warning, instead of a new license information file, to the user to be  
4 updated.

5 The user system 10 replaces the old license information file with the new license  
6 information file when transmitted back, and sets up a new environment so that the software can be  
7 started therein. The new license information file is installed in the file server 11 and the file is  
8 shared by a plurality of machines 12. When a warning is sent back, the software is not started  
9 until the user inquires the license control center 20 and solves the problem.

10  
11 It therefore appears that Yamamura performs updating of licenses to *reduce fraud*.  
12 For example, Yamamura will refuse to update a license in the event of "a fraudulent use  
13 of the license or breach of contract being confirmed." In contrast, one exemplary goal of  
14 the present invention is to *make more efficient use out of a limited number of licenses*.  
15 Hence, the concepts which play a central role in the invention described in the  
16 specification (namely, the loss of licenses, the determination of the availability of  
17 licenses, the granting of temporary licenses, and so forth), do not appear at all in  
18 Yamamura's disclosure.

19 Consider one illustrative example that will highlight the differences between  
20 Yamamura's approach and the approach described in the instant specification. In  
21 Yamamura's technique, the system *automatically* performs the updating "a few days  
22 before the expiration date of the license." Being automatic, it appears that this updating  
23 is not in response to the activity of the clients (such as requests made by the clients to  
24 access licensed software). This will presumably have the effect of failing to return  
25 licenses that should be legitimately retired to an available pool of licenses. In contrast,

1 the technique described in the present invention will allow a client to revive a license  
2 (upon request) during an update period. But if this request does not occur, the technique  
3 will potentially return the license to an available pool of licenses for others to use. The  
4 client can potentially reclaim this reallocated license if it is still available; if not, the  
5 client can obtain a new license if it is available. Yamamura provides absolutely no hint  
6 of all of these availability-related processing considerations that are aimed at effectively  
7 managing a limited pool of licenses to *increase the use* of the licenses in the pool.

8 Now turning to the claims, there are nine independent claims rejected under  
9 section 102, namely, claims 1, 2, 12, 16, 19, 30, 35, 41 and 43. Each of these claims  
10 recite one or more elements that Yamamura in no way discloses or suggests. Each  
11 independent claim will be addressed in turn as follows.

12 Claim 1 is reproduced below with highlighting:

13  
14 1. A method of managing a software license, comprising:

15 issuing a license to a client, the license having an expiration date;

16 *receiving a license request from the client during a license update period;*

17 *in response to the license request, providing a new expiration date for the license; and*

18 reissuing the license with the new expiration date to the client.  
19

20 Among other deficiencies, Yamamura does not provide a new expiration date for  
21 a license in *response to a license request*, and then reissue the license with the new  
22 expiration date to the client. As described above, Yamamura performs updating in  
23 automatic fashion, presumably independent of the clients' use of the licenses, and thus  
24 independent of the clients' requests.

25 Claim 2 is reproduced below with highlighting:

1  
2 2. A method of managing a software license, comprising:

3 issuing a license to a client, the license having an expiration date;

4 *receiving a license request from the client during a license update period;*

5 *determining that the client has lost the license;*

6 issuing a new license to the client *if a new license is available*, the new license having a  
7 new expiration date; *and*

8 *issuing a temporary license to the client if a new license is not available, the temporary*  
9 *license being valid for a temporary period.*  
10

11 Among other deficiencies, Yamamura does not determine that the client has lost a  
12 license, as the concept of a "lost license" is not something that Yamamura even  
13 acknowledges. Yamamura also does not describe issuing a new license to the client if a  
14 new license is available, the new license having a new expiration date, and issuing a  
15 temporary license to the client if a new license is not available, the temporary license  
16 being valid for a temporary period. As explained above, Yamamura is concerned with  
17 reducing fraud. As such, when Yamamura seeks to update a license, Yamamura  
18 presumably looks at fraud-related considerations, rather than availability-related  
19 considerations. To repeat, Yamamura is not in the least concerned with the concept of  
20 availability and therefore fails to meet the elements in claim 2 that pertain to availability.

21 As to the issuance of a temporary license, the Office Action points out that  
22 Yamamura at least uses the word "temporary" in its specification. But Yamamura uses  
23 this word in a context that is totally unrelated to the context in which it is used in claim 2.  
24 Consider the representative excerpt from col. 7, line 24 to col. 8, line 15 of Yamamura  
25 (with emphasis added):



1  
2 The software executed in the user side system 10 has a functional constitution as shown  
3 in FIG. 3 for an example. Namely, the software as an object controlled by the license control  
4 center 20 has a main program P0 for executing a primary function, and in addition has a license  
5 environment check program P1 that is first executed on starting, a license collation request  
6 program P2, and standby program P3, which are added in advance.

7 The license environment check program (check function) P1 checks a license  
8 environment in the software execution equipment 10, *and if the program P1 judges the license*  
9 *environment to be proper, the program P1 sets the software into a temporary start state.* The  
10 program P1 compares a license condition of the license information file in the file server 11 with  
11 an actual software execution environment (operational environment in the user side system 10),  
12 and if the two coincide, the program P1 starts the license collation request program P2.

13 The license collation request program (license collation request function) P2 transmits, on  
14 starting the software, a license collation request to the license control center 20 by electronic mail.  
15 When an application to issue the license is complete according to a procedure described later in  
16 FIG. 4, the license of the software is registered, and the software is started, the program P2  
17 retrieves a mail address for the license control center 20 to control the program P2 from the license  
18 information file in the file server 11. The program P2 automatically transmits, using the mail  
19 address, the license information file (license condition, operational condition) and the log file (log  
20 data, user data) relating to the software, also stored in the file server 11, to the license control  
21 center 20 with the license collation request by electronic mail.

22 Thus, the license collation request program P2 executes a log data transmission function  
23 that transmits a log file of the software to the license control center 20 on starting the software by  
24 electronic mail. If it is not possible to transmit electronic mail, the program P2 transmits a  
25 warning to forcibly end the execution of the software. *On the other hand, if it is possible to*

1 *transmit electronic mail, the program P2 sets the main program P0 of the software into a*  
2 *temporary start state and starts the standby program P3.*

3 The standby program (standby function) P3 waits for a collation result transmitted from  
4 the license control center 20 by electronic mail and judges the collation result when it receives the  
5 collation result transmitted from the center 20. If the collation result is proper, the standby  
6 program P3 ends and only the main program P0 of the software continues operation, namely, *the*  
7 *standby program P3 sets the main program P0 from the temporary start state into the normal start*  
8 *state.* On the other hand, if the collation result is improper, the standby program P3 forcibly ends  
9 the execution of the software (main program P0).

10  
11 Here, it appears that Yamamura sequences through one or more temporary states  
12 in the course of processing a request to use licensed software. This processing has  
13 nothing to do with issuing a temporary license to the client if a new license is not  
14 available, the temporary license being valid for a temporary period (as recited in claim 2).  
15 For instance, transitioning into Yamamura's temporary states has nothing do with the  
16 question of license availability.

17 Claim 12 is reproduced below with highlighting:

18  
19 12. A method of managing a software license, comprising:  
20 receiving a license request from a client;  
21 determining that the expiration date of a license previously issued to the client has been  
22 reached;  
23 reissuing the license to the client *if the license is available*, the reissued license having a  
24 new expiration date;  
25

1 issuing a new license to the client *if a new license is available and the previously issued*  
2 *license is not available*, the new license having a new expiration date; and  
3 denying the client access to software resources *if the previously issued license is not*  
4 *reissued and a new license is not issued*.

5  
6 Among other deficiencies, Yamamura does not reissue a license to the client if the  
7 license is available, the reissued license having a new expiration date, and issue a new  
8 license to the client if a new license is available and the previously issued license is not  
9 available, the new license having a new expiration date. This is because, as stated above,  
10 Yamamura does not make license-issuance decisions based on the concept of availability.

11 Claim 16 is reproduced below with highlighting:

12  
13 16. A method, comprising:  
14 receiving a license to access software resources, the license having an expiration date;  
15 *requesting a license update during an update period preceding the expiration date; and*  
16 *in response to the requesting, receiving the license as a reissued license during the*  
17 *update period*, the reissued license having a new expiration date.

18  
19 Among other deficiencies, Yamamura does not request a license update during an  
20 update period preceding the expiration date, and, in response to the requesting, receive  
21 the license as a reissued license during the update period, the reissued license having a  
22 new expiration date. This is because Yamamura does not trigger its updating operation  
23 on the activities (e.g., requests) of clients during an update period. To repeat, Yamamura  
24 appears to *automatically* update its licenses a few days prior to their expiration,  
25 independent of client requests for such updates.

1 Claim 19 is reproduced below with highlighting:

2  
3 19. A method, comprising:

4 receiving a license to access software resources, the license having an expiration date;

5 *having lost the license, requesting a license update during a license update period;*

6 receiving a new license *if a new license is available*, the new license having a new  
7 expiration date; and

8 *receiving a temporary license if a new license is not available, the temporary license*  
9 *being valid for a temporary period.*

10  
11 Among other deficiencies, Yamamura does not disclose the concept of losing a  
12 license, and hence does not disclose any of the elements in claim 16. Moreover,  
13 Yamamura does not disclose receiving licenses based on availability, because, as stated  
14 above, the concept of availability does not play an operative role in Yamamura's system.

15 Claim 30 is reproduced below with highlighting:

16  
17 30. A method comprising:

18 receiving a license to access software resources, the license having an expiration date;

19 *making a license request after the expiration date has been reached;*

20 receiving the license *as a reissued license if the license is available*, the reissued license  
21 having a new expiration date;

22 *receiving a new license if a new license is available and the license is not available, the*  
23 *new license having a new expiration date; and*

24 *being denied access to the software resources if a reissued license or a new license is not*  
25 *received as a result of the license request.*

1  
2 Among other deficiencies, Yamamura does not disclose making a license request  
3 after the expiration date has been reached, and subsequently receiving a new license or a  
4 reissued license based on the concept of availability. More precisely, it appears that  
5 Yamamura's system will expire a license in the event fraud is detected. In this case,  
6 Yamamura apparently will not allow a client to revive this license. Moreover, to repeat,  
7 the general principle of availability does not play an operative role in Yamamura's  
8 design.

9 Claim 35 is reproduced below with highlighting:

10  
11 35. A license server comprising:

12 *an available license pool to store licenses;*

13 *an assigned license pool to store information regarding licenses assigned to clients;*

14 *a request handling module to receive a license request;*

15 *a new license module to search the available license pool, setting an expiration date on a*  
16 *new license if a new license is available, and issuing the new license to a client; and*

17 *a license clean-up module operating periodically to review the assigned license pool and*  
18 *return any license to the available license pool which is found to have reached its expiration date.*

19  
20 Yamamura does not grant licenses based on the concept of an available pool of  
21 licenses. Therefore, Yamamura discloses nothing remotely related to the invention  
22 recited in claim 35. For example, Yamamura does not disclose a license clean-up module  
23 which returns licenses to an available license pool; presumably, in Yamamura, licenses  
24 that are not renewed are deactivated because of concerns of fraud, and not returned to a  
25 general pool of available licenses.

1 Claim 41 is reproduced below with highlighting:

2  
3 41. A terminal server, comprising:

4 a database to provide terminal server resources to a client;

5 a client access module executing on the one or more processors for allowing access to the  
6 terminal server resources by a client having a license and denying access to the terminal server  
7 resources by a client not having a license; and,

8 a license request module to:

9 *obtain a license for an unlicensed client that connects to the terminal server;*

10 *obtain a license update for a licensed client that connects to the terminal server*  
11 *during a license update period; and*

12 *obtain a license update or a new license for a previously licensed client*  
13 *connecting to the terminal server after the license update period.*

14  
15 Among other deficiencies, Yamamura does not disclose a terminal server which  
16 performs the functions set forth in claim 41. For example, Yamamura does not disclose  
17 provisions for obtaining licenses after a license update period, because, if that period is  
18 reached, the client is presumably prevented from obtaining licenses because of concerns  
19 of fraud.

20 Finally, claim 43 is reproduced below:

21  
22 43. A system for licensing software, comprising:

23 a license generator configured to receive a license purchase request, and to produce and  
24 transport licenses in response to the license purchase request; and,

1 a license server configured to submit the license purchase request to the license generator  
2 and store the licenses received in response to the license purchase request in an available license  
3 pool;

4 the license server further configured to issue individual licenses to individual clients from  
5 the available license pool, the individual licenses each having an expiration date; the license  
6 server further configured to return licenses that reach their expiration date to the available license  
7 pool.

8  
9 As stated several times above, Yamamura is deficient because this reference fails  
10 to disclose operations performed with respect to an available license pool. Yamamura  
11 therefore does not disclose returning licenses to an available license pool.

12 As stated in MPEP § 2131, "A claim is anticipated only if each and every element  
13 as set forth in the claim is found, either expressly or inherently described, in a single prior  
14 art reference." *Verdegal Bros. v. Union Oil Co. of California*, 2 USPQ2d 1051, 1053  
15 (Fed. Cir. 1987). As noted above, Yamamura fails to disclose many elements in the  
16 independent claims. This is because Yamamura is very unlike the present invention in  
17 both its objectives and structural/procedural composition. Accordingly, Yamamura fails  
18 to anticipate any of the independent claims. The remaining dependent claims (including  
19 the newly added dependent claims, 50-55) are allowable at least by virtue of their  
20 dependency on their respective independent claims.

21 As a final matter, the Office Action states that certain claim elements are not  
22 given patentable weight because they allegedly contain "non-functional descriptive data"  
23 (note paragraph No. 14 of the Office Action). This statement is factually and legally  
24 misplaced. The issue of non-functional descriptive data arises when applicant attempts to  
25 claim program instructions or data structures *per se* in a descriptive manner. However,

1 the claims of the present application pertain to processes, computer-readable media,  
2 servers, systems, etc. There is no attempt to claim program code or data structures *per se*  
3 in a non-functional manner.

4  
5 *Conclusion*

6 The arguments presented above are not exhaustive; Applicant reserves the right to  
7 present additional arguments to fortify its position. Further, Applicant reserves the right  
8 to challenge the prior art status of one or more documents cited in the Office Action.

9 All objections and rejections raised in the Office Action having been addressed, it  
10 is respectfully submitted that the present application is in condition for allowance and  
11 such allowance is respectfully solicited. The Examiner is urged to contact the  
12 undersigned if any issues remain unresolved by this Amendment.

13  
14  
15 Respectfully Submitted,

16  
17 Dated: 6/16/2005

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